



LaCon 

SHORT PRESENTATION OF „LACON” TERMINAL

Lacon is a universal loading facility designed for transshipment of general cargo, ferrous and nonferrous rolled metal, bulk-break cargo, cast iron, ore, coal and other types of cargo.

Before the commencement of coal transshipment, Lacon worked with large quantities of ferrous rolled metal of both open and indoor storage from "Severstal" - famous iron and steel works from Cherepovets, as well as other major companies.



### **Riga Free Stevedoring Company**

(More detailed information at [www.lacon.lv](http://www.lacon.lv) )



„LaCon” Company Ltd. is situated in Riga, at the mouth of Daugava River and is the first stevedoring Company on the right side from Riga port entrance gate. Comparing to other stevedoring Companies of Riga port it has the shortest way from port entrance gate and backwards.

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All movable property and real estate of „LaCon” Company Ltd.: – storage yards, premises and equipment, powerful cranes, wheel Machinery Park, coal processing equipment – is not burdened by any credit liabilities, is not pledged and is at full disposal of „LaCon” Company Ltd.

„LaCon” Company Ltd. is one of the biggest Stevedoring Companies of Riga Free Port, its technical and warehouse *provision allows transshipment of coal and other bulk cargo, all kinds of ferrous and non - ferrous metals, cast iron and iron ore, timber, lumber a.o.*

## Territory

272 000 square meters, including 32 000 square meters, - land, reclaimed from sea in 2005 – a territory with specific cover, equipped with railroads to avoid limited speed of loading and shortage of storage yards at rear area of Berth DG-1.

To talk about the use of Company's territory for cargo storage, during joint work with "Mechel" Company maximum quantity of cargo storage at „LaCon" territory is achieved– almost 400 thousand tons of coal of 6 different marks. And before that, maximum quantity of coal of two - three marks was estimated at 300 thousand tons. But practice of unloading and storage led to new decisions. Additionally to this currently „LaCon" can accept and store about 150 thousand tons of coal.

I.e. at experience of cargo unloading new technical decisions were found to increase constantly terminal storage. Now it is possible to state, that current capacity of terminal coal cargoes at separate open storage is from 500 to 600 thousand tons at simultaneous storage depending on quantity of coils and coal marks.

Besides, there is more than 80 000 square meters of territory, reclaimed from the sea to the minus 1-1,5 meters mark, already suitable for creation of storage areas, production units, specialized hydraulic engineering constructions and berths, depending from necessity («Development concept" at the internet site).

The territory of „LaCon" Company Ltd. is rented from the Board of Riga Free Port (here further BRFP) at maximally possible term of 45 years (till August 2, 2055) under the legislation of LR. According to the legislation of LR and contractual conditions at termination of validity term, the Lease Agreement is prolonged automatically by using the unconditional priority rights of „LaCon" Company Ltd. Admitting theoretical possibility of cancellation of lease agreement, whole the real estate of Stevedoring Company Ltd. „LaCon" remains its property at its location place and attributes itself the termination of lease agreement to the category of "hypothetically" possible.

## Warehouses (more in details at internet site)

There are 3 covered warehouses with total space of 5000 sq m, including:

- ✓ Warehouse №1 of hangar type with space of 2400 sq m
- ✓ Warehouse №2 of hangar type with space of 1600 sq m

The above warehouses were constructed earlier for storage of iron coils.

Warehouse №3 for storage of valuable general cargoes with space of 1000 sq m. It is equipped with cargo trestlework for unloading of covered railcars and motor vehicles.

## Berths

On the territory of „LaCon" Company Ltd. there are two berths: DG-1 and DG-2.

## Berth DG-1



Depth of berth (12,7-13,5 meters) allows to handle vessels with deadweight of 12,2 meters. The average tonnage loaded on vessels of Panamax type from 2006 till 2011 is 55-60 thousand tons.

In 2011 ground deepening works were carried at 35-meter zone of berth to the 13,5 meters mark, at which the allowed draught of vessel increases to 12,2 meters and allows to load up to 65 thousand tons of coal on vessel.

Approximate cost of ground deepening works together with deepening works of access channel to “LaCon” terminal is more than 1 million Euro.

It should be noted, that under the current legislation, the berths can be stevedoring company’s private property. After the reconstruction of DG-1, the investment share of „LaCon” Company Ltd. is about 86 % and the investment share of the state property is 14 %. Currently negotiations on legal aspects are held either for joint possession or purchase of State shares and receiving DG-1 at full possession of „LaCon” Company Ltd. or receiving of monetary compensation for invested monetary resources.

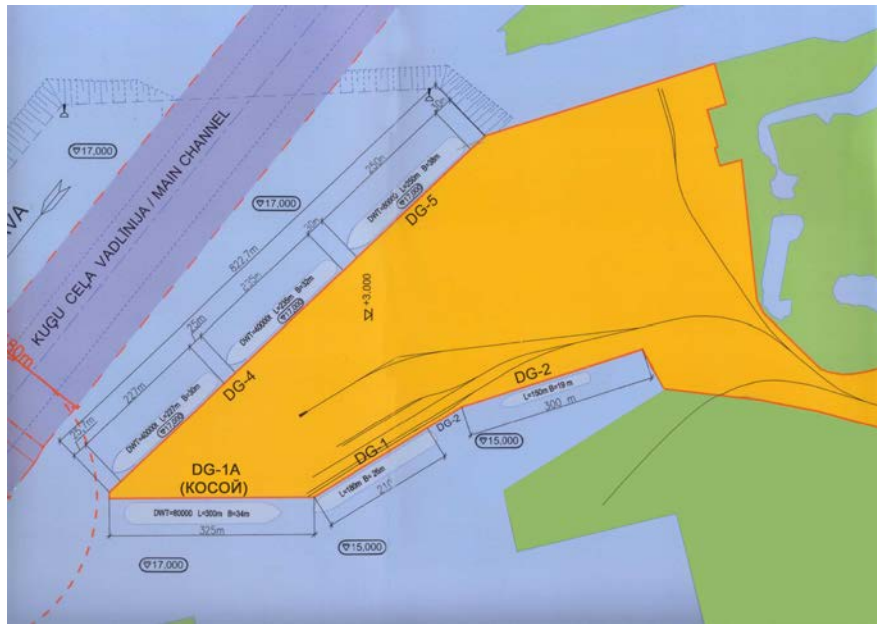
## Berth DG-2.

Is not operated at present as it is outdated and water level is shallow (the allowed draught of vessel at berth is 6 meters). But its availability on terminal’s territory allows making "speedy" construction of new deep-water berth by reconstruction of the old berth DG-2. It allows avoiding both about long coordination and other bureaucratic procedures taking up to one year time. The design project is available. It is possible to make design works and reconstruction by integration of berths DG-2 and DG-1 or by separate deepening of Berth DG-2 to depth of 15 meters.

## Construction of Berth DG-1A.

BRFP in 2007 accepted perspective « Development Concept», including the received permit for construction of Berth DG-1A ("sloping") with depth of 17 m at East Port (diagram №1 below) as „LaCon” Company’s Ltd. private property by using own monetary resources. According to existing legislative and statutory acts of LR new – built infrastructure objects at stevedoring company’s own expenses, including berths, are private property of this stevedoring company.

Diagram 1. Prospective development plan and berths' location scheme.



Norm of handling of coal vessels: contractual of 10 000 tons/day; actual in 2009-2010 15 000-17 000 tons/day.

Technical equipment (port machinery)

✓



3 portal cranes:, 2 gantry- cranes "Sokol" with carrying capacity of 20-32 tons and 1 «Condor» with carrying capacity of 40 tons;

Mobile portal crane "Multidocker" with caterpillar with carrying capacity of 15 tons, used for unloading of railcars (railcars are placed directly on the portal under the crane) and at loading of vessels, including Panamax vessels;

Mobile cranes:

✓



Hydro manipulator FUCHS 350 MHL;

✓

Hydro manipulator Siennebogen 835;

✓

Hydro manipulator Siennebogen C 835 M;

Crashing/sorting complexes:

✓ Power screen Titan 1800, \_\_\_\_\_ 2;

✓ Bucket truck-loader Caterpillar 962 G \_\_\_\_\_ 2;

✓ Bucket truck-loader Cheng Gong CG 956 G \_\_\_\_\_ 2;

✓ Bucket truck-loader Komatsu WA380-5H \_\_\_\_\_ 2;

✓ Forck truck-loaders:

✓ Kalmar (32t),

✓ Kalmar (16t),

✓ Toyota (5t),

✓ Toyota (1,5t) 2,

✓ Tractor SISU (70t)

- ✓ Gasoline tank truck Volvo;
- ✓ Tractor MT3 82.

As company with commercial activity at Free Port Free zone regime (more in details about advantages of this regime at internet site [www.lacon.lv](http://www.lacon.lv)), the „LaCon” Company Ltd. has license for the right to purchase and use on its’ own territory an «excise free» fuel, i.e. for machinery, used at „LaCon” territory, diesel fuel is bought at the price with application of lower excise duties. That reduces cost of fuel used by us at ~30 %.

The terminal is equipped with fuel tanks and filling station for its own machinery and railway engines providing dispatch/removal and maneuvering of railcars.

### Railway facilities

Railroads with total length of 5 km are owned by „LaCon”, including: 2 cut run railroads ("fishes"), 13 railway switches, elevated road – „ramp” for unloading without cranes of open top rolling stock with 8 railcars capacity. At „LaCon” railroads altogether it is possible to handle 170 railcars. Current unloading capacity is 150 railcars per day at 3 unloading "fronts".

The dispatch/removal of all railcars at „LaCon” terminal, all maneuvering works at terminal and, mostly, at Bolderaja railway station (entrance station to the terminal), are completely provided by own forces with two ТЭМ 2V model railway engines. Unconditional advantage of availability of own park of engines means independence at work with Bolderaja station with no extra expenses. And other port terminals, „LaCon” „neighbors”, have become „LaCon” clients by using our dispatch/removal service of railcars on railroads.

The „LaCon” Company’s Ltd. affiliated company «Euroinvest L» is Latvian railway forwarder and is created to forward all „LaCon” cargoes. It has long-term both contractual and informal operational experience with Latvian railway and other state structures involved in transit business. That simplifies and optimizes terminal and cargo owners work in many respects; about what all the «LaCon» and «Euroinvest L» clients have opportunity to convince themselves in practice.

### Buildings and equipment (real estate)

On the territory of „LaCon” Company Ltd. there are 13 buildings under operation, including pass office, administrative building of stevedores’ office and boxes of fuel depot, garages for machinery, building of a former hostel (one of 3 warehouses of covered storage), 2 transformer stations a o.

There are 20 insignificant, old and unused buildings at the territory, which are on the balance of Latvian Ministry of Transport. Currently by the Ministry of Transport and BRFP coordinated actions are led with objective to remove from balance and to tear of these buildings. It will enable to increase capacity of storage yards and to optimize terminal routing itinerary, by lowering a net cost of port inner cargo transportation.



